# FAS REPORT

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Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 7-83

WASHINGTON, Feb. 16--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

Effective February 1, the European Community (EC) raised the export subsidy on whole broilers from 20.5 European Community Units (ECU's) per 100 kilograms to 22.5.

OILSEEDS AND PRODUCTS

CHINA's soybean imports are expected to fall to 100,000 tons, down 300,000 from the previous estimate as a result of the recent Chinese embargo on U.S. soybeans, as well as reduced export availabilities in Argentina. Overall, Chinese vegetable oil supplies should remain unchanged as larger rapeseed production will more than compensate for the decline in soybean supplies.



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Fishmeal exports from FISHMEAL EXPORTERS ORGANIZATION (FEO) countries, which account for the bulk of world exportable supplies, totaled 169,000 tons during December 1982, or 32 percent above the same month in 1981. However, December fishmeal production--at only 76,000 tons--was 6 percent below the same month a year ago. Thus, stocks on December 31 declined by 28 percent from a year ago. Cumulative data are as follows in 1,000 tons:

| Country | Jan-Dec 1981 Production | Jan-Dec 1981 Exports | Jan-Dec 1981 Ending Stocks | Jan-Dec 1982 Production | Jan-Dec 1982 Exports | Jan-Dec 1982 Ending Stocks |
|---|---|---|---|---|---|---|
| Chile | 566 | 439 | 207 | 636 | 681 | 146 |
| Iceland | 147 | 129 | 28 | 51 | 66 | 5 |
| Norway | 300 | 267 | 51 | 277 | 223 | 52 |
| Peru | 418 | 298 | 130 | 618 | 618 | 94 |
| South Africa | 151 | 5 | 12 | 137 | 2 | 11 |
| Total | 1,582 | 1,138 | 428 | 1,719 | 1,590 | 308 |

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In January, fishmeal prices, basis Europe, averaged about $440 per ton--10 percent above the previous month and 35 percent above the October 1982 low. The fishmeal/soybean meal price ratio is now about 2.04 to 1 compared with 1.61 to 1 a year ago. The substantial price gain reflected stock reductions in Chile, Iceland and Peru, as well as uncertain fishing conditions off the Peruvian coast due to a continued warming current.

DAIRY, LIVESTOCK AND POULTRY

Broiler production in SINGAPORE fell 12 percent to 48,000 tons in 1982. Increasingly stringent regulations against air and water pollution and the government's restriction on the areas where poultry can be raised are largely responsible for the downturn. Increased imports more than offset the production shortfall.

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CANADA's pork production is expected to be up in anticipation of increased pork exports due to continued foot and mouth disease problems in Denmark. Production in 1983 is forecast at 870,000 tons, 2.4 percent above 1982, according to the U.S. agricultural counselor in Ottawa. In contrast to the United States, Canada has been able to maintain its pork production at high levels since 1980 with the help of production incentive programs and income subsidy programs at both provincial and federal levels. Of equal importance is the decline in the value of the Canadian dollar relative to other currencies, which has allowed Canada to attain record high pork exports to both the United States and Japan.

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JAPAN's pork production for 1983 is estimated at 1.465 million tons, 2.5 percent above the 1.43 million produced in 1982, according to the U.S. agricultural counselor in Tokyo. Expansion of pork production remains slow due to producer caution and a relatively weak hog/feed price ratio. Output has been largely influenced by a fall in domestic hog prices and continued high domestic feed prices.

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AUSTRALIA's beginning 1983 cattle inventory is estimated by the U.S. agricultural counselor in Canberra at 22.4 million head, down over 8 percent from last year. The drop is due to continued drought, heavy slaughter, an expected poor calf crop and above average death loss. Beef and veal production during 1983 is expected to fall to about 1.35 million tons, 20 percent below the 1982 production of 1.690 million. If the drought continues, ending 1983 inventories could be 21 million head or less and 1983 slaughter higher than currently estimated.

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TOBACCO

In the UNITED STATES, leaf tobacco exports during 1982 totaled 259,487 tons, valued at $1.546 million. This is down 2 percent in volume, but up 6 percent in value from 1981. Relative to other exporters, the United States increased its share of world flue-cured exports slightly from an estimated 25 percent in 1981 to 26 percent in 1982. Exports from several major flue-cured competitors fell during 1981 because of reduced purchases by China.

The U.S. share of world burley trade increased to an estimated 26 percent from 22 percent in 1981 as the United States regained some shares lost when blue mold and unfavorable weather reduced supplies. The outlook for U.S. leaf exports in 1983 is for a slight decrease in volume to about 250,000 tons, valued at $1.6 billion. A return to the long-term trend of eroding U.S. world market shares is expected in 1983.

COFFEE, TEA AND COCOA

BRAZIL's 1983/84 coffee production is estimated between 30 and 33 million bags (60 kg. each), 12 percent above the previously estimated range. According to the U.S. agricultural counselor in Brasilia, who recently traveled through producing areas in Parana, Sao Paulo and southwest Minas Gerais, favorable weather and proper management practices resulted in a larger crop than expected. Nearly all the trees damaged in the 1981 frost have recovered their production capacity, with less than 5 percent still showing minor damage. Brazil's 1983/84 coffee production estimates, by state, are as follows in million bags:

| State | Production Range |
|---|---|
| Parana | 5.0 - 5.5 |
| Sao Paulo | 9.0 - 9.5 |
| Minas Gerais | 9.5 - 10.5 |
| Espirito Santo | 4.5 - 5.0 |
| Other States | 2.0 - 2.5 |
| Total | 30.0 - 33.0 |

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WORLD cocoa production for 1982/83 is estimated at 1.55 million tons, 151,000 tons less than the previous estimate and down from 1.72 million tons in 1981/82. Adverse weather in major producing areas is the major cause of the decline. West African countries, which account for about 55 percent of world production this year, also account for 58 percent of the decline since the last estimate. In the Ivory Coast, unfavorable growing conditions caused the main crop to mature too quickly. The mid-crop harvest is also expected to be less than normal, resulting in a total crop of 370,000 tons. Dry weather and delayed deliveries due to bag shortages caused problems in Ghana, where production is estimated at 190,000 tons.

In Brazil, dry weather from October through December is expected to reduce the temporao crop (that which develops during warmer months) well below the record outturn of 190,200 tons last year. The effect of recent rains on the crop will not be known for a few weeks. However, a larger main crop (developing during the winter months) will help offset some of this loss. Total Brazilian output is estimated at 280,000 tons, compared with 315,000 tons in 1981/82. In Ecuador, heavy rains and flooding have reduced the estimate for the 1982/83 crop to 77,000 tons, down 10,500 tons from 1981/82.

Production for major countries and regions is as follows in 1,000 tons:

| Country/Region | 1981/82 | 1982/83 |
|---|---|---|
| Africa: | | |
| Ivory Coast | 456.0 | 370.0 |
| Ghana | 225.0 | 190.0 |
| Nigeria | 181.0 | 165.0 |
| Cameroon | 120.0 | 120.0 |
| Other | 57.2 | 58.2 |
| Total | 1,039.2 | 903.2 |
| South America: | | |
| Brazil | 315.0 | 280.0 |
| Ecuador | 87.5 | 77.0 |
| Colombia | 38.5 | 40.0 |
| Other | 27.6 | 27.6 |
| Total | 468.6 | 424.6 |
| Central America/Caribbean: | | |
| Mexico | 40.0 | 42.0 |
| Dominican Republic | 42.0 | 37.0 |
| Other | 20.6 | 20.1 |
| Total | 102.6 | 99.1 |
| Asia/Oceania: | | |
| Malaysia | 60.0 | 70.0 |
| Papua-New Guinea | 30.0 | 30.0 |
| Other | 22.3 | 23.3 |
| Total | 112.3 | 123.3 |
| | | |
| World Total | 1,722.7 | 1,550.2 |

## Selected International Prices

| Item | February 15, 1983 | | Change from previous week | A year ago |
|---|---|---|---|---|
| | $ per MT | $ per bu. | $ per MT | $ per MT |
| ROTTERDAM PRICES 1/ | | | | |
| Wheat: | | | | |
| Canadian No. 1 CWRS-13.5%.* | 197.00 | 5.36 | -1.50 | N.Q. |
| U.S. No. 2 DNS/NS: 14%*... | 170.00 | 4.63 | -17.00 | 184.55 |
| U.S. No. 2 DHW/HW: 13.5%.. | N.Q. | -- | -- | 194.50 |
| U.S. No. 2 S.R.W.......... | 161.00 | 4.38 | +4.00 | 166.50 |
| U.S. No. 3 H.A.D*......... | 170.00 | 4.63 | +.50 | 189.00 |
| Canadian No. 1 A: Durum*.. | 187.00 | 5.09 | -2.00 | 212.00 |
| Feed grains: | | | | |
| U.S. No. 3 Yellow Corn.... | 133.00 | 3.38 | +3.00 | 126.00 |
| U.S. No. 2 Sorghum 2/..... | N.Q. | -- | -- | 145.00 |
| Feed Barley 3/........... | N.Q. | -- | -- | N.Q. |
| Soybeans and meal: | | | | |
| U.S. No. 2 Yellow......... | 242.25 | 6.59 | +7.50 | 251.00 |
| Brazil 47/48% SoyaPellets 4/ | 226.50 | -- | +.50 | N.Q. |
| U.S. 44% Soybean Meal..... | 215.00 | -- | +4.50 | 234.00 |
| U.S. FARM PRICES 5/ | | | | |
| Wheat.................... | 130.81 | 3.56 | +.37 | 133.38 |
| Barley................... | 67.06 | 1.46 | +.46 | 90.94 |
| Corn..................... | 101.57 | 2.58 | +2.76 | 92.91 |
| Sorghum.................. | 99.87 | 4.53 6/ | +3.97 | 86.86 |
| Broilers 7/.............. | 1046.08 | -- | +29.76 | 1036.38 |
| EC IMPORT LEVIES | | | | |
| Wheat 8/................. | 105.76 | 2.88 | +6.24 | 87.80 |
| Barley................... | 111.51 | 2.43 | +4.35 | 66.60 |
| Corn..................... | 96.43 | 2.45 | +2.06 | 96.25 |
| Sorghum.................. | 92.47 | 2.35 | +1.53 | 78.90 |
| Broilers 9/.............. | 314.00 | -- | +6.00 10/ | 278.00 |
| EC INTERVENTION PRICES 11/ | | | | |
| Common wheat(feed quality) | 185.76 | 5.05 | +5.53 | 185.60 |
| Bread wheat.............. | 204.18 | 5.56 | +5.84 | 213.80 |
| Barley and all other feed grains....... | 185.76 | -- | +5.53 | 185.60 |
| Broilers 12/............. | 1063.00 | -- | +6.00 | N.Q. |
| EC EXPORT RESTITUTIONS (subsidies) | | | | |
| Wheat.................... | 74.85** | 2.04 | -0- | 67.20 |
| Wheat flour.............. | N.Q. | N.Q. | N.Q. | N.Q. |
| Barley................... | 89.28 | 1.94 | +1.86 | 40.78 |
| Broilers 9/.............. | 213.00 | -- | +4.00 13/ | 174.00 |
| Sugar, refined 15/........ | 383.00 | -- | N.Q. | N.Q. |

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ Reflects change by EC effective Feb. 1, 1983 from 31.8 ECU's/100 kg. to 33.15 ECU's/100 kg. **Reflects exchange rate change only. 12/ F.O.B Price for R.T.C. Whole Broilers at West German border. 13/ Subsidy increase reflects change by EC Effective Feb. 1, 1983 from 20.50 ECU's/100 kg to 22.50 ECU's/100 kg. 14/ F.o.b. price for whole R.T.C. broilers at West German border. 15/ For offers accepted during week of Feb. 16, based on a maximum subsidy of 36.140 ECU's per 100 kg. N.Q.=Not quoted.

Note: Basis March delivery. * April-May. **Zone 4--Latin America.

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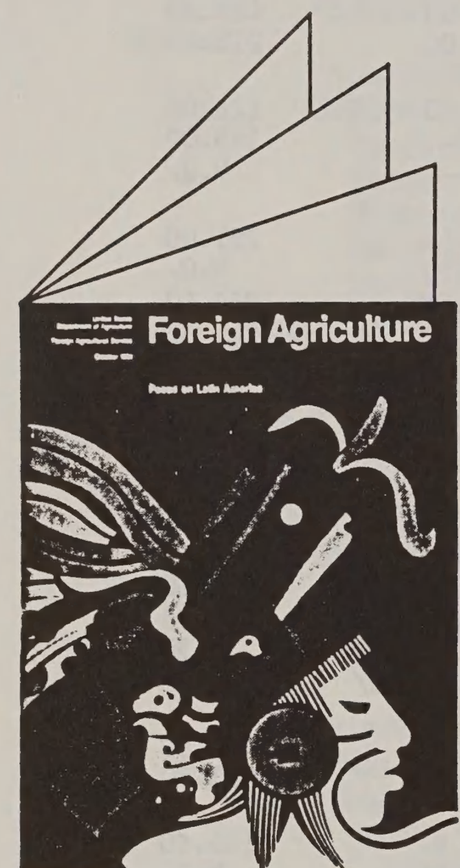


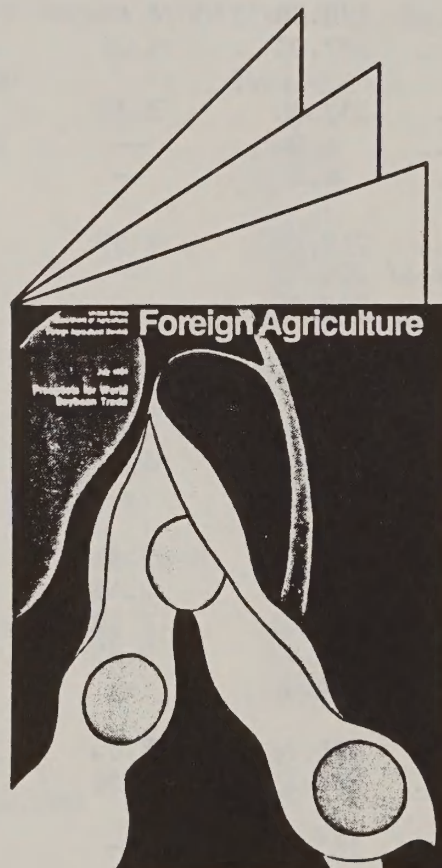


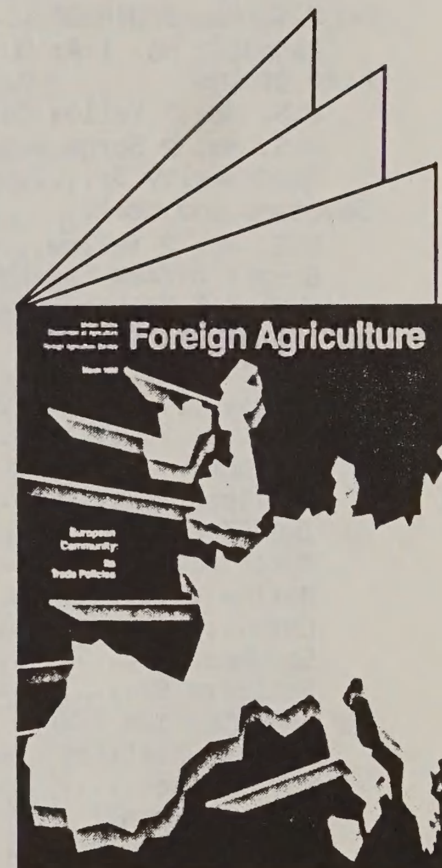


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